GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1158
ANSWERED ON:01.03.2001
LOSSES TO SEBS
ADHIR RANJAN CHOWDHURY

Will the Minister of POWER be pleased to state:

(a) whether the attention of the Government has been drawn to the press news-item captioned `Power hungry politicians suck electricity boards dry` as reported in `Statesman` dated January 8, 2001;

(b) if so, whether the Union Government as well as State Governments have misusedand ruined all the SEBs for their own political benefits;

(c) whether due to faulty Government policies the SEBs have suffered losses worth crores of rupees;

(d) if so, the facts and details thereof; and

(e) the corrective steps Government propose to take now in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) to (d) : The main reasons for losses of State Electricity Boards (SEBs) arepilferage and theft of power, high transmission and distribution losses, low realisation and non-viable tariff structure leading to an increasing gap between the cost of supply and realisation per unit.

(e) : The Government of India enacted the Electricity Regulatory CommissionAct, 1998 with a view to rationalize tariff, have transparent policies towards subsidies etc. The Central Electricity Regulatory Commissionhas been constituted and has started functioning. This Act enables State Government to set up State Electricity RegulatoryCommissions (SERCs).So far 15 States have notified constitution of SERCs.SERCs ofOrissa, Andhra Pradesh, Maharashtra, U.P., Gujarat, Karnataka and Haryana havealready issued tariff orders.

With a view to expedite power sector reforms particularly in distribution, the Government of India has taken several steps. The Conference of Chief Ministers`/PowerMinisters` held in February 2000 resolved that reform must be undertaken withdetermination, vigour and a sense of urgency. The key elements of the reform strategy are:-

(i) Energy Audit at all levels.

(ii) Time-bound programme of 100% metering of all consumers by December, 2001.

(iii) Reduction and finally, elimination of power theft within a specified time frame.

(iv) Strengthening/upgradation of sub-transmission and distribution system by taking sub-station as an unit on a priority basis.

It was also agreed that if the above appears unattainable in the existing set up, corporatization/cooperatisation/privatisation of distribution would have to be undertaken.
The Government of India is also signing MOUs on reforms with States whereby theStates commit to achieve definite milestones to reduce T&D losses, eliminate theft,improved billing and collection, setting up of functional SERCs etc.Government of India offers financial support through Accelerated Power Development Programme(APDP) and additional allocation of power from unallocated share of central pool etc. So far, the States of Karnataka, U.P., M.P., Haryana and Gujarat have signed MOUs.